

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**United States Steel Corporation**  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - (4) Proposed maximum aggregate value of transaction:
  - (5) Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
  - (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:



33rd Floor  
U. S. Steel Tower  
600 Grant Street  
Pittsburgh, PA 15219

***Please vote promptly either by:***

- u telephone,
- u the Internet, or
- u marking, signing and returning your proxy or voting instruction card.

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United States Steel Corporation  
600 Grant Street  
Pittsburgh, PA 15219-2800

Chairman of the  
Board of Directors  
and Chief Executive Officer

March 12, 2010

Dear Fellow U. S. Steel Stockholder,

We will hold the annual meeting of stockholders of United States Steel Corporation on the 33rd floor of the U. S. Steel Tower, 600 Grant Street, Pittsburgh, Pennsylvania 15219, on Tuesday, April 27, 2010, at 10:00 a.m. Eastern Time.

At this meeting, the agenda will include:

- Election of the fair and impartial proxy solicitor for the meeting.
- Appointment of PricewaterhouseCoopers LLP as the Corporation's independent registered public accounting firm for 2010.
- Approval of an Amendment and Restatement of the 2005 Stock Incentive Plan.



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**May I change my vote?**

If you are a stockholder of record, you may change your vote or revoke your proxy at any time before your shares are voted at the meeting by:

- voting again by telephone or over the Internet,
- sending instructions to the proxy agent by mail, or
- notifying the Secretary of U. S. Steel in writing, or
- voting at the meeting.

If you hold your shares in "street name," please refer to the information forwarded by your bank, broker or other holder of record for procedures on revoking or changing your voting instructions.

**How many outstanding shares are there?**

At the close of business on February 26, 2010, which is the record date for the meeting, there were 143,370,146 shares of U. S. Steel common stock outstanding. Each share is entitled to one vote.

**How big a vote do the proposals need in order to be adopted?**

Directors are elected by a plurality of the votes of the





about the stockholder presenting it. We have not received notice of any matter to be presented other than those on the proxy card.

**When must shareholder proposals be submitted for inclusion in the proxy statement for the 2011 annual meeting?**

If a shareholder wants to present a proposal at the 2011 annual meeting and include the proposal in our proxy statement for that meeting, the proposal must be received in writing by our Corporate Secretary no later than 5:00 p.m. Eastern Time on November 12, 2010.

**What is the deadline for a shareholder to submit an item of business or other proposal for consideration at the 2011 annual meeting?**

Our by-laws describe the procedures that must be followed in order for a stockholder of record to present an item of business at an annual meeting of stockholders. Shareholder proposals or





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**Audit Committee**

Pursuant to its Charter, the Audit Committee’s duties and responsibilities include:

- reviewing and discussing with management and the independent registered public accounting firm matters related to the annual audited financial statements, quarterly financial statements, earnings press releases and the accounting principles and policies applied;
- reviewing and discussing with management and the independent registered public accounting firm matters related to the Corporation’s internal control over financial reporting;
- reviewing the responsibilities, budget, staffing and performance of the Corporation’s internal audit function;
- reviewing issues that arise with respect to the Corporation’s compliance with legal or regulatory requirements and corporate policies dealing with business conduct;
- being directly responsible for the appointment (subject to shareholder vote), compensation, retention, and oversight of the work of the Corporation’s independent registered public accounting firm (including resolution of disagreements between management and such firm regarding financial reporting), while possessing the sole authority to approve all audit engagement fees and terms as well as all non-audit engagements with such firm; and
- discussing policies with respect to risk assessment and risk management.

The charter requires the Committee to perform an annual self-evaluation and to review its charter during its first meeting of each calendar year.

The charter requires that the Committee be comprised of at least three directors, each of whom is independent and financially literate, and at least one of whom must have accounting or related financial management expertise. The charter also requires that no director who serves on the audit committees of more than two other public companies may serve on the Committee unless the Board determines that such simultaneous service will not impair the ability of such director to effectively serve on the Committee. The Committee has a number of members who meet the SEC’s definition of audit committee financial expert. The Board has decided to name two of them, Jeffrey M. Lipton and





## Board Leadership Structure

Mr. Surma serves as both the Chairman of the Board of Directors and CEO of the Corporation. The Corporation has determined that this leadership structure is appropriate because:

- It promotes unified leadership and direction for the Corporation;
- It allows for a single, clear focus for management.



## Board's Role in Risk Oversight

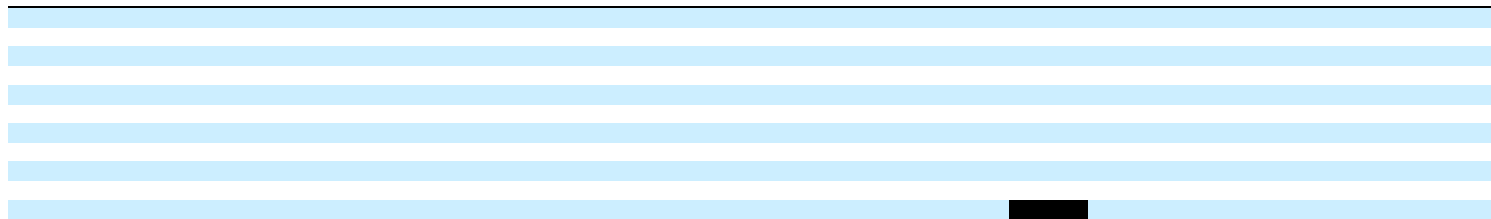
Pursuant to its charter, the Audit Committee of the Board of Directors is responsible for reviewing and discussing the Corporation's policies with respect to risk assessment and risk management, including:

- the guidelines and policies that govern the process by which the assessment and management of the Corporation's exposure to risk are handled by management, and

□ the Corporation's major risk exposures and the steps management has taken to monitor and control such exposures.

Although the Audit Committee has prima





## **Communications from Security Holders and Interested Parties**

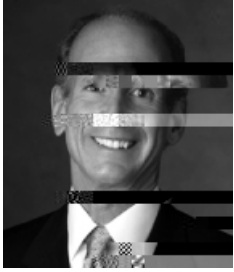
Security holders and interested parties may send communications through the Secretary of the Corporation to (1) the Board, (2) the Committee chairmen, (3) the presiding director, or (4) the outside directors as a group. The Secretary will collect, organize and forward to the





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<b>Jeffrey M. Lipton</b>	<b>Director since 2006</b>	<b>Age 67</b>
<b>Retired Chief Executive Officer and Director, NOVA Chemicals Corporation</b>		

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**Continuing Class I Directors**  
Terms Expire 2011



**Richard A. Gephardt**

**Director since 2005**

**Age 69**

**Retired United States Congressman**

Congressman Gephardt received a Bachelor of Science degree from Northwestern University and a Juris Doctor degree from the University of Michigan Law School. After serving as a Democratic committeeman and alderman in his native St. Louis, he was elected to the United States House of Representatives in 1976, representing Missouri's Third District. He was re-elected 13 times. While in the House, Congressman Gephardt served on the Budget Committee and on the Ways and Means Committee. He was elected Chairman of the House Democratic Caucus in 1984; and he served as majority leader from 1989 to 1994. In 1994 he was elected House Democratic Leader, the top Democratic leadership position in the House. He served as minority leader from 1995 to 2003. After deciding not to seek re-election, Congressman Gephardt retired from the House on January 3, 2005. Congressman Gephardt serves as a consultant to The Goldman Sachs Group, Inc. and as senior counsel to the law firm of DLA Piper Rudnick. He is a director of Spirit Aerosystems Holdings, Inc., Centene Corporation, CenturyTel, Inc. and Ford Motor Company. He previously served as a director of Embarq Corporation and Dana Holding Corporation.

Congressman Gephardt has valuable experience in public policy and governmental affairs as a result of his service in the United States House of Representatives. He was recommended as a candidate for election to the Board of Directors pursuant to an agreement with the United Steelworkers that permits it to suggest two individuals for consideration for Board membership.



**Glenda G. McNeal**

**Director since 2007**

**Age 49**

**Senior Vice President and General Manager—Global Client Group, Merchant Services Americas  
American Express Company (global payments, network, credit card and travel services)**

Ms. McNeal received a Bachelor of Arts degree in Accounting from Dillard University and an MBA in Finance from the Wharton School of the University of Pennsylvania. Ms. McNeal began her career with Arthur Andersen, LLP in 1982, and was employed by Salomon Brothers, Inc. from 1987 to 1989. In 1989, Ms. McNeal joined American Express Company and since that time has served in a series of increasingly responsible positions for that company. She assumed her current position in 2009. Ms. McNeal also serves as a member of the Pepsico Ethnic Advisory Board and a trustee of Dillard University.

Ms. McNeal has valuable experience in customer service, financial and accounting matters as result of her current position as a senior executive at American Express Company, along with her prior positions with Arthur Andersen, LLP and Salomon Brothers, Inc. In addition, she provides the Board with knowledge and insight regarding the financial services industry and financial markets.





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**Graham B. Spanier**

**Director since 2008**

**Age 61**

**President  
The Pennsylvania State University**

Dr. Spanier received Bachelor of Science and Master of Science degrees from Iowa State University and a Ph.D. from Northwestern University, where he was a Woodrow Wilson Fellow. Dr. Spanier was appointed President of the Pennsylvania State University in 1995. Prior to that appointment, he served as Chancellor of the University of Nebraska-Lincoln, Provost and Vice President for Academic Affairs at Oregon State University and Vice Provost for Undergraduate Studies at the State University of New York-Stony Brook. Dr. Spanier is a director of RBS/Citizens

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**John P. Surma**

**Director since 2001**

**Age 55**

**Chairman of the Board of Directors and Chief Executive Officer  
United States Steel Corporation**

Mr. Surma received a BS degree in accounting from the Pennsylvania State University in 1976 and joined Price Waterhouse LLP at that time. He joined Marathon Oil Company in 1997 as Senior Vice President, Finance and Accounting. He was named Senior Vice President, Finance & Administration in January 1998; President of Speedway SuperAmerica LLC in September 1998, and Senior Vice President, Supply & Transportation in January 2000. Effective January 1, 2001 he became President of Marathon Ashland Petroleum LLC, and in September 2001, Mr. Surma was elected Assistant to the Chairman of USX Corporation. He became Vice Chairman and Chief Financial Officer of U. S. Steel effective December 31, 2001, President effective March 1, 2003, President and Chief Operating Officer effective June 1, 2003, President and Chief Executive Officer effective October 1, 2004, and Chairman of the Board of Directors effective February 1, 2006. Mr. Surma is a director of The Bank of New York Mellon Corporation. He is also a director of the American Iron and Steel Institute, a member of the Executive Committee of the World Steel Association, a member of The Business Council, a member of the National Petroleum Council, Chairman of the Board of Directors of the Allegheny Conference on Community Development, Chairman of the Board of Directors of the Allegheny County Parks Foundation, a member of the Board of Trustees of the Pennsylvania State University, and a member of the American Institute of Certified Public Accountants. Mr. Surma previously served on the Board of Directors of Calgon Carbon Corporation and Mellon Financial Corporation.

As the Chief Executive Officer of U. S. Steel, Mr. Surma is responsible for all of the business and corporate affairs of U. S. Steel.



**David S. Sutherland**

**Director since 2008**

**Age 60**

**Retired President and Chief Executive Officer**







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The types of awards which the Committee has authority to grant are (1) stock options, (2) restricted stock, (3) restricted stock units, (4) performance awards and (5) other stock-based awards, including appreciation rights. Each of these types of awards is described below.







time of making a performance award. The Committee may in its discretion also determine to use other objective performance measures as performance goals; however, the compensation awarded in connection with performance measures other than those identified above will not satisfy the exemption under Section 162(m) of the Code.

Following completion of the applicable performance period, and prior to any payment of a performance award to the participant, the Committee shall determine in accordance with the terms of the performance award and shall certify in writing whether the applicable performance goal or goals were achieved, or the level of such achievement, and the amount, if any, earned by the participant based upon such performance. Performance awards are not intended to provide for the deferral of compensation. Accordingly, payment of performance awards will be made upon vesting and in no event later than two and one-half months following the end of the calendar year in which the performance period ends, or such other time period as may be required under Section 409A of the Code to avoid characterization of such awards as deferred compensation. Performance periods under the Stock Plan will be each calendar year, unless otherwise determined by the Committee in its discretion. The first performance period under the Stock Plan will begin on the third business day following the release of earnings for the first quarter of 2010.

In any one calendar year, the maximum amount which may be earned by any single participant under performance awards granted under the Stock Plan shall be limited to 1,000,000 shares. In the case of performance periods covering multiple calendar

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appreciation right granted under the Stock



USX 1990 Stock Plan. (For more information, see Note 14 to the Financial Statements.) Column (1) includes (i) 59,228 shares of common stock that could be issued for the Common Stock Units outstanding under the Deferred Compensation Program for Non-Employee Directors and (ii) 381,210 shares that could be issued for the 190,605 performance awards outstanding under the Long-Term Incentive Compensation Program (a program under the 2005 Stock Incentive Plan). The calculation in column (2) does not include the Common Stock Units since the weighted average exercise price for Common Stock Units is one for one; that is, one share of common stock will be given in exchange for each unit of such phantom stock accumulated through the date of the director's retirement. Also, the calculation in column (2) does not include the performance awards since the weighted average exercise price for performance awards can range from zero for one to two for one; that is, performance awards may result in up to 381,210 shares of common stock being issued (two for one), or some lesser number of shares (including zero shares of common stock issued), depending upon the Corporation's common stock performance versus that of a peer group of companies.

- (b) Represents shares available under the 2005 Stock Incentive Plan.
- (c) Represents shares available under the 2005 Stock Incentive Plan.





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(90) days

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discretion to reduce or eliminate the incentive awards payable to any participant under the Incentive Plan.

**Amendment or Termination of Incentive Plan**

The Incentive Plan shall remain in effect until it is terminated by U. it is



## Information Regarding the Independence of the Independent Registered Public Accounting Firm

The following table shows the fees paid to PricewaterhouseCoopers LLP (“PwC”) for professional services for 2009 and 2008:

	(Dollars in millions)	
	2009	2008
Audit <sup>(1)</sup>	\$5.6	\$6.0
Audit-Related <sup>(2)</sup>	\$0.3	\$0.2
Tax	\$0.0	\$0.0
All Other	\$0.0	\$0.0
Total	\$5.9	\$6.2

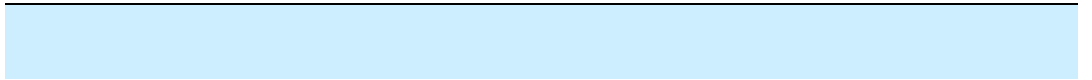
- (1) Audit fees were for the audit of U. S. Steel’s annual financial statements, the audit of U. S. Steel’s internal control over financial reporting required under the Sarbanes-Oxley Act, statutory and regulatory audits, and the issuance of comfort letters and consents.
- (2) Audit-related fees were for employee benefit plan audits and procedures required by agreement or government agencies.

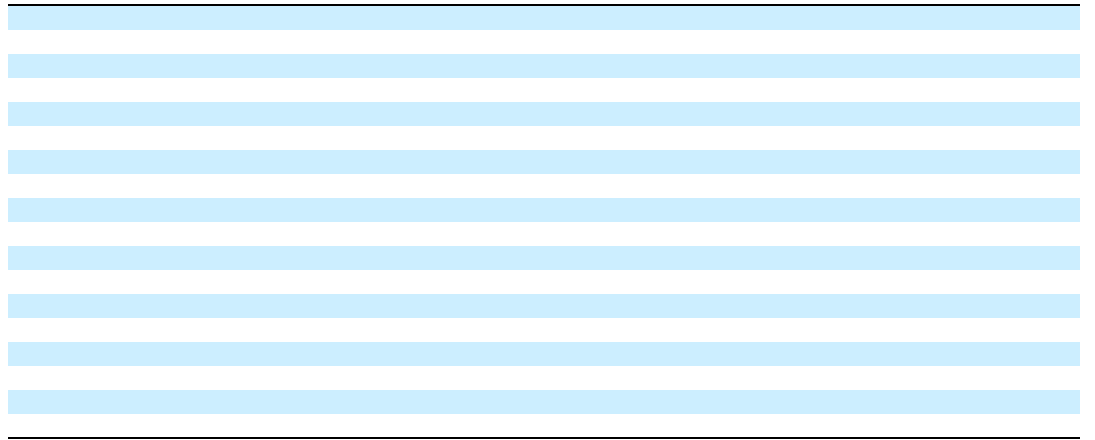
### Pre-Approval Policy

The Audit Committee (the “Committee”) has the sole authority to pre-approve all audit engagement fees and terms as well as all non-audit engagements with PwC. The Committee has delegated to its chairman the authority to approve non-audit engagements of less than \$500,000 between Committee meetings. In 2008 and 2009, all of the above services were pre-approved by the Committee in accordance with this pre-approval policy.

## **Audit Committee Report**

Our committee has reviewed and discussed





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- (2) Includes shares which may be acquired upon exercise of outstanding options which are or will become exercisable within 60 days of January 31, 2010 in the following amounts: Mr. Surma: 415,106; Mr. Garraux: 11,129; Mr. Goodish: 71,302; Mrs. Haggerty: 95,109; Mr. Lohr 13,904; and all directors and executive officers as a group: 617,701. Also includes shares which may be acquired upon exercise of outstanding options which would become exercisable on March 31, 2010 in the event that the executive officer elected to retire on such date in the following amounts: Mr. Goodish: 24,072; and all directors and executive officers as a group: 24,072.
- (3) Includes shares which would be awarded pursuant to restricted stock unit grants in the event that the executive officer elected to retire on March 31, 2010 in the following amounts: Mr. Goodish: 11,377; and all directors and executive officers as a group: 11,377.
- (4) The total number of shares beneficially owned by each director and executive officer, and by all directors and executive officers as a group, in each case constitutes less than one percent of the outstanding shares of common stock of U. S. Steel.

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### **Compensation & Organization Committee Report**

The Compensation & Organization Committee of the Board of Directors of the Corporation has reviewed and discussed the Compensation Discussion & Analysis required by Item 402(b) of Regulation S-K with management, and based on such review and discussion, the Compensation & Organization Committee recommended to the Board that the Compensation Discussion & Analysis be included in this proxy statement.

Robert J. Darnall, Chairman  
John G. Drosdick  
Charles R. Lee

Seth E. Schofield  
David S. Sutherland  
Patricia A. Tracey

## Executive Compe

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The return on capital employed (ROCE) performance measure is weighted most heavily in determining the payout of short-term incentive awards and this target has normally been aligned with the Corporation's business plan. However, using the Corporation's 2009 business plan, which had a high degree of uncertainty considering the deteriorating economic conditions that prevailed in early 2009, would have resulted in a target ROCE at a rate below the Corporation's historical cost of capital. Instead, the Committee set the 2009 target ROCE at 12 percent, which approximated the Corporation's historical cost of capital and would result in an affordable award if the target was achieved.

The short-term incentive program provides, by design, a performance payout range of from 0 percent to 215 percent of the individual target award and the Corporation's actual 2009 performance equated to a payout of 15 percent of that target based upon strong safety and environmental performances. The Committee determined to pay the award at near the 15 percent payout rate recognizing management's extraordinary safety achievement over the past four years and demonstrating the importance of safety to the Corporation. For a discussion of the short-term incentive program and performance results for 2009, see "*Elements of Executive Compensation – Short-Term Incentive Awards*".

In setting the short-term incentive targets for 2010, the Committee decided to again set the target payout rate for ROCE at 80 percent for ROCE performance of 12 percent. However, for 2010 the Committee has elected to extend the threshold payout level from 40 percent at a ROCE performance of 6 percent to a payout of 20 percent at a ROCE performance of 2 percent. This lower threshold will give executives an opportunity to earn a modest award if they accomplish a modest return on the Corporation's capital, which would be a significant improvement over 2009 results. The Committee chose a payout rate of 20 percent at a threshold of 2 percent ROCE because at that level the Corporation would be operating at break even and the modest incentive award that would result would be affordable.

In anticipation of a declining market in the last few months of 2008 and a difficult and uncertain market in 2009, the Board amended the 2005 Annual Incentive Compensation Plan to provide the Committee with the flexibility to conserve cash by satisfying the liability for awards in stock, or a combination of cash and stock. The 2005 Annual Incentive Compensation Plan previously only contemplated the payment of awards in cash. Any stock that would be issued pursuant to these provisions would be issued under a shareholder approved stock plan and would count against the shares available for issuance under such plan. This feature is also included in the proposed 2010 Annual Incentive Compensation Plan (see "*Proposal No. 4*" for a description of the proposed 2010 Annual Incentive Compensation Plan).

#### *Long-Term Incentives*

Prior to the granting of long-term incentive awards in May of 2009, Mr. Surma expressed his desire to not receive any long-term incentive awards for 2009. As long-term incentive awards comprised well over 60 percent of Mr. Surma's compensation for 2008 and 2007, the Committee's decision to accommodate his desire resulted in a significant reduction in Mr. Surma's compensation in 2009. The Committee accepted his recommendation noting that it was an appropriate expression of leadership at a difficult time and that, with his beneficial interest in more than 200,000 shares of the Corporation's common stock and his outstanding stock options and performance awards, Mr. Surma remained well aligned with shareholder interests.

Except for Mr. Surma, who received no long-term incentive awards in 2009 (see the preceding paragraph), the Committee decided to add an incremental amount to the May 2009 long-term incentive awards (see "*Elements of Executive Compensation – Long-Term Incentive Awards and Stock Ownership*") for those who were to have their salaries reduced effective July 1, 2009 (see "*Salaries*," above). The purpose of the incremental award was to provide an opportunity for those receiving salary reductions

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to recoup the value of the reductions through vehicles tied to the long-term success of the Corporation.

The Committee revised all future long-term incentive awards, beginning with awards granted in 2009, to require both a termination and a qualified change in control (a “double trigger”) in order to accelerate the vesting of unvested awards. The Committee believes this change should accomplish the preservation of awards for an executive terminated in connection with a change in control while reducing the possibility of an employee windfall in the event of a change in control without a termination. Additionally, the double trigger is included as a requirement under the proposed Amended and Restated 2005 Stock Incentive Plan (see “*Proposal No. 3*” for a description of the proposed Amended and Restated 2005 Stock Incentive Plan).

*Recoupment Policy*

Upon the recommendation of the Committee, the Board implemented a Recoupment Policy in February 2010 that applies to all incentive awards for executive management. The Corporation may recover compensation delivered to any executive whose intentional acts, or failures to act, are responsible in whole, or in part, for the material restatement of the Corporation’s publicly filed financial statements.





of the 2009 peer companies, see the discussion under “*Grants of Plan-Based Awards—Discussion of the Grants of Plan-Based Awards Table—Estimated Future Payouts Under Equity Incentive Plan Awards—Performance Awards*”). Peer companies are chosen from publicly traded industrial companies of similar size with the goal that the median level of the group’s annual revenues approximate our annual revenues. Other measures such as market capitalization and profitability are also considered.

U. S. Steel ranked at the 68<sup>th</sup> percentile in terms of annual revenues relative to its peer group of companies based upon the 2008 data available at the time of the Committee’s 2009 compensation decisions. The Committee has considered the relative size difference between U. S. Steel and the peer companies when making compensation decisions in the past; however, the Committee made no such adjustment in 2009 because projected revenues derived from 2009 analyst estimates ranked U. S. Steel much lower for 2009 and, with the uncertainty in the market, the Committee believed that neither the prior revenue data nor the revenue estimates formed a reliable basis for making such adjustments.

While the peer group is relatively stable from year to year, changes do occur when there is a change in a peer company’s circumstances or when a company that better matches U. S. Steel’s size and/or business is identified. The peer companies chosen for benchmarking are also used for purposes of comparing total shareholder return in connection with the performance awards granted each May (see “*Elements of Executive Compensation—Long-Term Incentive Awards and Stock Ownership—Performance Awards*”).

The Committee’s independent consultant uses a combination of its survey data from the peer group of companies together with the public disclosures from the peer group to determine the 50<sup>th</sup> percentile level of compensation for each executive position. When the consultant is satisfied that it has a sufficient number of matches within the peer group of companies for a given position, the peer group is used exclusively to determine the relevant compensation decision. When the consultant is not satisfied with the quality of the peer group data for a given position, the consultant uses broader survey data (Towers Watson and Mercer HR Consulting surveys) from hundreds of large general industry companies to augment the peer group data. Regression analysis is used to appropriately size the data from these large company surveys based upon each position’s revenue responsibility.

The peer group of companies is used to benchmark the salary, short-term incentive, long-term incentive and other elements of compensation and compensation related matters, including retirement benefits, perquisites, stock ownership and retention policies and severance agreements. As a secondary source of information for comparison purposes, custom analyses are performed from time to time using the publicly disclosed information from other Fortune 500 companies. The peer group is also used to evaluate the alignment of corporate performance with the relative level of compensation provided for each executive position (and for all executives in the aggregate as well as for the named executive officers in the aggregate) for the prior year (see “*Tally Sheets and Compensation Assessments*”).

#### Targets

Each executive’s base salary, short-term incentive compensation and long-term incentive compensation are targeted at the 50<sup>th</sup> percentile of the peer group of companies. We also provide executives with the opportunity to exceed the 50<sup>th</sup> percentile should the Corporation’s performance exceed our expectations and the performance of our peer companies. The program is also designed to provide compensation below the 50<sup>th</sup> percentile should our performance fall short of our expectations and the performance of our peers. The Committee believes that targeting the 50<sup>th</sup> percentile of the peer group of companies across the three major compensation elements (salary, short-term incentive and long-term incentive compensation) accomplishes its overall objective of providing fair and competitive executive compensation.

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Award Recoupment and Revisions

The Sarbanes-Oxley Act of 2002 requires the CEO and Chief Financial Officer to reimburse the company for any awards received during the twelve-month period following the release of financial results that subsequently require an accounting restatement due to noncompliance with a material financial reporting requirement as a result of misconduct. Additionally, the Corporation has implemented a Recoupment Policy that will apply to executive management and will provide for the recoupment of incentive awards in the event the Corporation's financial statements are restated and an executive is involved in fraud or misconduct, including gross negligence, in connection with the reason for the restatement (see "*Overview of Executive Compensation for 2009 and 2010 – Recoupment Policy*").

We do not have a policy of reducing or increasing current awards based upon the amounts realized or not realized from prior compensation awards. The Committee believes that the intended value of an award at grant date reflects both the upside and the downside potentials of any such award.

The types of compensation provided to our executives are:

- Salary,
- Short-term incentive compensation,
- Long-term incentive compensation,
- Retirement benefits, and

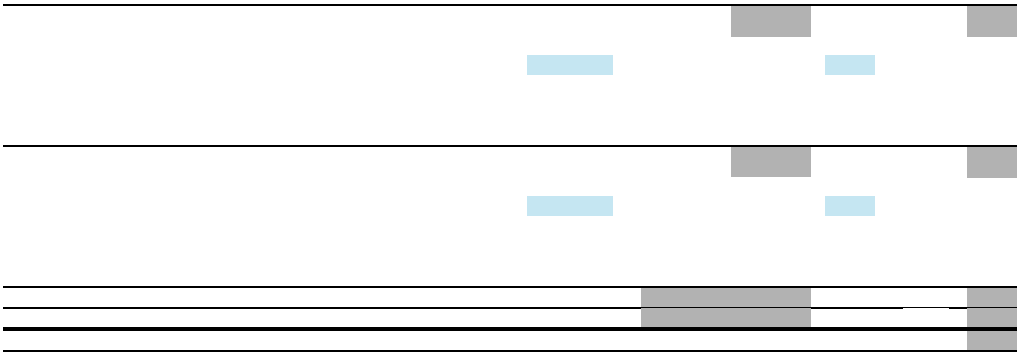


each executive’s base salary to give the Committee the market-level short-term incentive compensation for that executive. In developing the target award, the Committee typically increases the short-term incentive compensation target by about 20 percentage points above the market median to allow the Committee to exercise discretion to reduce compensation that would otherwise be awarded in connection with the attainment of corporate performance goals depending upon the individual performance of each executive and the Committee’s judgment of the Corporation’s performance. An unreduced award would indicate superior individual performance by the executive and/or the Corporation during the performance period. Individual performance is evaluated using subjective criteria (see “*Setting Executive Compensation—Individual Performance*” for a discussion of individual performance measures) and, in the case of executives other than the CEO, with input from the CEO.

In 2009, only the citizenship performance goals (safety and environmental) were achieved (see footnote 3 to the table below and, for a description the performance measures, “*Discussion of the Summary Compensation Table – Non-Equity Incentive Plan Compensation*”). Since 2005, the Corporation’s safety record has improved from 105 cases involving injuries that would keep an individual away from work for 31 days or more to 13 such cases in 2009. Also, the Committee was informed that, based upon the 2009 Lost Workday Rate data from the Bureau of Labor Statistics, employees at U. S. Steel are 5 times safer than the average employee working in the manufacturing sector. For those reasons, the Committee determined to pay the award at near the 15% of target payout rate recognizing management’s extraordinary safety achievement over the past four years and demonstrating the importance of safety to the Corporation. The table below shows the 2009 target awards and the Committee’s decision to award at near the calculated award.

<b>Executive</b>	<b>Year</b>	<b>Individual Target Multiple<sup>(1)</sup></b>	<b>Individual Target Award<sup>(2)</sup></b>	<b>Corporate Performance<sup>(3)</sup></b>	<b>Calculated Award<sup>(4)</sup></b>	<b>Awarded Amount</b>
J. P. Surma	2009	140%	\$1,400,000	15%	\$ 210,002	\$210,000
J. H. Goodish	2009	105%	\$ 708,750	15%	\$ 106,313	\$106,000
G. R. Haggerty	2009	100%	\$ 526,500	15%	\$ 78,975	\$ 78,000
D. H. Lohr	2009	95%	\$ 397,575	15%	\$ 59,636	\$ 59,000
J. D. Garraux	2009	95%	\$ 406,136	15%	\$ 60,920	\$ 60,000

- (1) Target Multiple is the number, expressed as a percentage of Base Salary, that is multiplied by the Base Salary to calculate the Target Award. Base Salary is the rate of pay determined by annualizing the salary for the last month of the performance period (e.g., December 2009 salary multiplied by 12).
- (2) Target Award is the amount that would be paid to the executive assuming (a) the Corporation achieves its target performance objectives and (b) the Committee does not exercise downward discretion.
- (3) The column titled “Corporate Performance” presents the payout rate determined by the Corporation’s performance against all of the performance measures (see the following table for the calculation of the 2009 Corporate Performance Payout Rate).







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notional basis and are paid only on the shares that vest and only at the time the shares vest. The shares underlying restricted stock unit awards are issued upon vesting instead of upon grant.

The Committee believes that at least a portion of the long-term incentive value should be delivered in full-value shares. Full-value awards provide some downside to the executives and encourage the executives not to take risks for which the upside is out of proportion to the downside. Additionally, the Committee allowed that there are times during cycles in the steel industry and/or times of market instability, similar to the recent market conditions, during which stock options may be of little or no value to the executives. Therefore, the Committee elected to award a portion of the long-term incentive value in the form of restricted stock units that, while not as tax efficient as other equity vehicles, will continue to provide some retention value to the Corporation during industry cycles.

*Performance Awards*

Performance awards provide an incentive for executives to earn full-value shares based upon our total shareholder return, defined as stock price appreciation plus dividends, versus that of our peer group of companies over a three-year performance period (see “Potential Payments Upon Termination or Change in Control—Discussion of Compensation Elements—Performance Awards”).



*Non-Qualified Plans*

We provide the following three non-qualified pension programs (together, the “Non-Qualified Pension Programs”) to our named executive officers:

- United States Steel Corporation Non Tax-Qualified Pension Plan (the “Non Tax-Qualified Pension Plan”),
- United States Steel Corporation Executive Management Supplemental Pension Program (the “Supplemental Pension Program”), and
- United States Steel Corporation Supplemental Thrift Program (the “Supplemental Savings Program”).

The Non-Qualified Pension Programs (discussed in greater detail under the “*Pension Benefits*” and “*Nonqualified Deferred Compensation*” sections) are designed to provide retirement benefits to executives and certain high-level non-executives of U. S. Steel and its affiliates. Retirement benefits provided to our CEO have been compared to those provided to chief executive officers among our peer group of companies. When expressed as a percent of pre-retirement base salary and short-term incentive awards, our CEO’s retirement benefits were found to be reasonable and within the range of benefits provided to other peer group chief executive officers.

The purposes of the Non Tax-Qualified Pension Plan and the Supplemental Savings Program are to provide benefits that are not permitted to be provided under the Steel Pension Plan and Steel Savings Plan, respectively, due to certain limits established under, or that are required by, the Internal Revenue Code (“Code”). The benefit accrual formulas under these Non-Qualified Pension Programs are approximately equal to the formulas under the respective Qualified Pension Programs.

The purpose of the Supplemental Pension Program is to provide pension benefits for executives and certain non-executives with respect to compensation paid under the short-term incentive compensation plans maintained by the Corporation, its subsidiaries, and its joint ventures since a significant portion of an executive’s annual cash compensation is comprised of at-risk incentive payments, which are awarded based on the Corporation’s performance in a given year. (See the “*Short Term Incentive to Total*” column of the table under “*Setting Executive Compensation—Compensation Mix.*”) By providing a retirement benefit based on pay earned through the incentive compensation plans, we avoid the incongruity of expecting executives to take more of their cash compensation in the form of variable, incentive-based compensation and, as a result, having executives receive less replacement income as a percent of cash compensation due to the exclusion of the incentive-based compensation from the tax-qualified Steel Pension Plan.

Without these Non-Qualified Pension Programs, the comparative income replacement ratio for executives of U. S. Steel would be significantly less than the income replacement ratio for most non-executives who are covered only under the Qualified Pension Programs. The Committee believes it is important to our attraction and retention objectives to provide a fair income replacement for executives in retirement.

The provision of benefits under the Non-Qualified Pension Programs is subject to service-based and/or age-based restrictions. For example, unless the Corporation consents, benefits are not paid under the Non Tax-Qualified Pension Plan and the Supplemental Pension Program if the executive voluntarily terminates employment prior to the attainment of 60 years of age. We believe these restrictions help to support our retention objectives.

*Letter Agreements*

Generally, we employ letter agreements only under special circumstances, for example, as an inducement to work for U. S. Steel or to accept a special assignment, or as compensation for delaying a retirement or foregoing something of value. Of our current named executive officers, only Mr. Surma and Mr. Goodish have letter



*Other Benefit Programs*

U. S. Steel's executives participate in many of the benefits provided to non-union employees generally, including vacation and holiday benefits, insurance benefits, disability benefits, and medical and prescription drug programs. Under the insurance benefits, certain employees, including the named executive officers, have been offered the U. S. Steel Variable Universal Life Insurance program, a form of company-provided life insurance as an alternative to the Corporation's basic life insurance coverage. We believe these benefits support our overall attraction and retention objectives.

**Accounting and Tax Matters**

For a discussion of the accounting impacts on various elements of long-term incentive compensation, see footnote 14 to the Financial Statements in our annual report filed on Form 10-K for the year ended December 31, 2009.

Section 162(m) of the Internal Revenue Code generally disallows a public company's tax deduction for compensation paid to the CEO and the three other most highly compensated officers exceeding \$1 million in compensation for any taxable year. However, qualifying performance-based compensation is not subject to the deduction limit if certain requirements are satisfied. All short-term incentive payments and all compensation attributable to stock option exercises and performance award vesting during 2009 satisfied the requirements for deductibility under Section 162(m). All service-vesting restricted stock vesting during 2009, including any dividends on such stock, did not satisfy the requirements for deductibility under Section 162(m). Also, annual salary and imputed income, such as perquisites, do not qualify as performance-based compensation under Section 162(m). In 2009, only Mr. Surma had non-performance based compensation that exceeded the \$1 million threshold described above, which, setting aside Mr. Surma's salary, was primarily the result of the vesting of restricted stock in 2009 (see footnote 3 to the "*Option Exercises and Stock Vested*" table). The estimated tax-related cash impact of Section 162(m) on the Corporation is approximately \$160,000. (See "*Elements of Executive Compensation—Long-Term Incentive Awards and Stock Ownership*" for a discussion of the Committee's reasons behind selecting non-performance based restricted stock for a portion of the long-term incentive value delivered.)

In determining executive compensation, the Committee considers, among other factors, the possible tax consequences to the Corporation. Tax consequences, including but not limited to tax deductibility by the Corporation, are subject to many factors (such as changes in the tax laws and regulations or interpretations thereof) that are beyond the control of the Corporation. In addition, the Committee believes that it is important for it to retain maximum flexibility in designing compensation programs that meet its stated objectives. For these reasons, the Committee, while considering tax deductibility as one of the factors in determining compensation, does not limit compensation to those levels or types of compensation that will be deductible by the Corporation.





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### Discussion of the Summary Compensation Table

#### Salary

The salaries of executives are reviewed on an annual basis, as well as at the time of a promotion or other change in responsibilities. Salary adjustments are based on an evaluation of an executive's performance and level of pay compared with comparable salary levels at the companies we use as a peer group for compensation purposes. Executive salaries for 2009 reflect a 10% reduction effective July 1, 2009, except that the reduction was, at Mr. Surma's suggestion, over 20% in his case (see "*Compensation Discussion & Analysis—Overview of Executive Compensation for 2009 and 2010 – Salaries*").

#### Stock Awards

The grant date fair market value used to calculate compensation expense in accordance with Accounting Standard Codification Topic 718 (ASC 718), Compensation – Stock Compensation is \$29.79 per share for our 2009 restricted stock unit grants, \$169.01 per share for our 2008 restricted stock unit grants, \$109.32 per share for our 2007 restricted stock grants, \$40.16 per share for our 2009 performance award grants, \$214.52 per share for our 2008 performance award grants, and \$140.66 per share for our 2007 performance award grants. For further detail see our report on Form 10-K for the year ended December 31, 2009, Financial Statement Footnote 14.

#### Option Awards

The grant date fair market value used to calculate compensation expense in accordance with ASC 718 is \$14.87 per share for our 2009 stock option grants, \$64.51 per share for our 2008 stock option grants, and \$44.90 per share for our 2007 stock option grants. For further detail see our report on Form 10-K for the year ended December 31, 2009, Financial Statement Footnote 14.

#### Non-Equity Incentive Plan Compensation

The non-equity incentive plan compensation benefits are referred to within these executive compensation discussions as short-term incentive awards and relate to awards granted pursuant to the 2005 Annual Incentive Compensation Plan, approved by the Corporation's shareholders on April 26, 2005. The reader may find it helpful to refer to the tables under "*Compensation Discussion & Analysis—Elements of Executive Compensation—Short-Term Incentive Awards*" in connection with reading the following paragraphs, which discuss the performance measures and the setting of the targets. For a discussion of the actual results for 2009, see "*Compensation Discussion & Analysis - Overview of Executive Compensation for 2009 and 2010 – Short-Term Incentives*" and "*Compensation Discussion & Analysis—Elements of Executive Compensation—Short-Term Incentive Awards*."

A performance range and target are developed for each of the two main performance measures, Return On Capital Employed ("ROCE") and Shipment Tons, and a target award is established to correspond with the target performance. An executive's calculated award is increased or decreased from the target award based on actual performance above or below the target performance for each of the performance measures. The width of the performance range considers the cyclical nature of our industry and business. Subject to the Committee's downward discretion, a calculated award is earned for each performance measure once the "threshold" performance target has been achieved for that measure. Actual performance below threshold performance results in no payout for that particular measure. Actual profits in n ce



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award in the case of environmental emissions and up to plus or minus 10 percent in the case of safety) to the award amount. *Safety performance* means annual improvement in the number of serious work-related injuries among domestic, European and expatriate employees that prevent an employee from returning to work for 31 days or more. *Environmental emissions improvement* means improvement in the number of domestic and international occurrences of noncompliant air and water emissions. The Environmental emission target was adjusted for 2009 to reflect a baseline with those facilities that were not idled in the performance period.

Change in Pension Value & Nonqualified Deferred Compensation Earnings

The values shown under this column reflect for each executive the value of pension benefits and nonqualified deferred compensation benefits earned in the most recently completed year. The amounts shown include any enhancements to the benefit formulas provided through letter agreements, if any, with the Corporation and exclude any benefits earned under plans of formerly affiliated companies. The present value of the accumulated benefit for each executive, reflecting all benefits earned as of December 31, 2009 by the executive under each plan or letter agreement, is reflected in the table located under "Pension Benefits."

All Other Compensation

The components of 2009 All Other Compensation are shown in footnote 4 to the "Summary Compensation Table" and include the following:

- Life Insurance

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[Discussion of the  
Grants of Plan-Based  
Awards Table](#)

Grant Date

Our equity-based awards are considered for grant by the Compensation & Organization Committee (“the Committee”) and, if approved, customarily are granted at the Committee’s May meeting. Grants are not timed in any way with the release of material non-public information. The exercise price for option awards is set at the average of the high and low stock prices on the grant date. The date of grant is the date that the Committee approves the grant unless the Committee meets on a day the market is not open, in which case the grant date is the next day the market is open.

Estimated Future Payouts Under Non-Equity Incentive Plan Awards

Our executives receive non-equity incentive compensation under our 2005 Annual Incentive Compensation Plan, which was approved by the Corporation’s shareholders in 2005. For a discussion of the program and the 2009 performance measures used to determine the 2009 award amounts, see “*Compensation Discussion & Analysis—Elements of Executive Compensation—Short-Term Incentive Compensation*” in the 2009 Annual Report on Form 10-K.









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Number

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*Option Exercises and Stock Vested*

During 2009, as a result of stock option exercises and the vesting of restricted stock awards and performance awards, the following shares were acquired and value realized from grants made in years prior to 2009:

Number of

	<u>Option Awards</u>	<u>Udv</u>	<u>Stock Awards</u>
	<u>Number of</u>		
	<u>Shares</u>		
	<u>Acquired</u>		

<u>Executive</u>	<u>Uyt</u>		

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- (1) Service shown represents credited service years (rounded) used to calculate accrued benefits as of December 31, 2009. In the case of Mr. Surma's Letter Agreement, 10 years is U. S. Steel's portion of the 15 year supplement. For a discussion of the terms of the Letter Agreement with Mr. Surma see "Letter Agreement" below.
- (2) The calculations represent the net present value of the executive's pension benefits accrued through December 31, 2009. Amounts shown are accumulated benefit obligation values which do not take into account earnings escalation after December 31, 2009. Key assumptions used for the calculations include a 100 percent lump sum benefit election for all plans using a forecasted PBGC rate of 4.00% (PBGC is the rate applied under the plans), or the long-term Section 417(e) segment rates of 5.00/6.00/7.00% to determine the estimated lump sum amount on the assumed future retirement date and a 5.50% rate (the rate used for financial accounting purposes) to discount the lump sum amount from the assumed date of retirement to December 31, 2009. Amounts exclude benefits to be paid from plans of formerly affiliated companies.

### Steel Pension Plan

#### *General Description of the Steel Pension Plan As Applicable to Non-Represented Employees*

The United States Steel Corporation Plan for Employee Pension Benefits, Revision of 2003 ("Steel Pension Plan") provides defined benefits for eligible non-represented, domestic employees who were hired before July 1, 2003. The Steel Pension Plan is designed to provide eligible employees with replacement income during retirement. The two primary benefits provided to non-represented employees are based on final earnings (the "Final Earnings Benefit") and career earnings (the "Career Earnings Benefit") formulas. Benefits may be paid as an actuarially determined lump sum in lieu of monthly pensions. The Internal Revenue Code (the "Code") limits the amount of pension benefits to be paid from federal income tax-qualified pension plans.

The Final Earnings Benefit component is based on a formula using a specified percentage (dependent on years of service) of average monthly earnings which is determined from the five consecutive 12-month calculation periods in which the employee's aggregate earnings were the highest during the last ten 12-month calculation periods of continuous service prior to retirement. Incentive compensation is not considered when determining average monthly earnings. Eligibility for an unreduced Final Earnings Benefit under the Steel Pension Plan is based on attaining at least 30 years of credited service or at least age 62 with 15 years of credited service. In addition to years of service and earnings while employed by U. S. Steel, service and earnings for certain purposes include those accrued while working for certain affiliated companies. All named executive officers, with the exception of Mr. Surma, are eligible for an unreduced early retirement pension under the Final Earnings Benefit component. Mr. Surma is eligible for a deferred vested Final Earnings Benefit that is subject to reduction based on his age as of the commencement of the pension payments. If Mr. Surma had retired on December 31, 2009, his Final Earnings Benefit would have been reduced by 56.0 percent.

The annual normal retirement benefit under the Career Earnings Benefit component is equal to 1.3 percent of total career earnings. Incentive compensation is not considered when determining total career earnings. Career Earnings Benefits commenced prior to attaining normal retirement or age 62 with 15 years of service, but after attaining age 58, are subject to an early commencement reduction equal to one-quarter of one percent for each month the commencement of pension payments precedes the month in which the participant attains the age of 62 years and one month. Career Earnings Benefits commenced prior to attaining age 58 are based on 1.0 percent of total career earnings and subject to a larger early commencement reduction. With respect to the Career Earnings Benefit, Mr. Goodish is eligible for an early retirement pension because he has attained the age of 58 and at least 30 years of credited service; however, such benefit is reduced by one-quarter of one percent for each month the commencement of pension payments precedes the month in which he attains the age of 62 years and one month. Mrs. Haggerty, Mr. Lohr and Mr. Garraux, each with at least 30 years of credited service, are eligible for early retirement; however, because they have not attained the age of 58, their annual Career Earnings

Benefits are equal to 1.0 percent (versus 1.3 percent) of their respective total career earnings. Additionally, their Career Earnings Benefits are subject to reduction based on their ages as of the commencement of the pension payments. If they had retired on December 31, 2009, Mrs. Haggerty's annual Career Earnings Benefit would have been reduced by 46.2 percent, Mr. Lohr's annual Career Earnings Benefit would have been reduced by 39.2 percent, and Mr. Garraux's annual Career Earnings Benefit would have been reduced by 34.6 percent. Mr. Surma is eligible for a deferred vested Career Earnings Benefit, based on 1.3 percent of his total career earnings, that is subject to reduction based on his age as of the commencement of pension payments. If Mr. Surma had retired on December 31, 2009, his annual Career Earnings Benefit would have been reduced by 56.0 percent.

Benefits accrued for each executive for the purpose of calculating both the Final Earnings and Career Earnings Benefits are limited to the executive's unreduced base salary (i.e., the base salary in effect on June 30, 2009), to the extent necessary to avoid the adverse effects of the reduction in base salary effective July 1, 2009 (see "Overview of Executive Compensation for 2009 and 2010 – Salaries"), and any foreign service premium where applicable. The "Present Value of the Accumulated Benefit" under the Steel Pension Plan for each executive is reflected in the table located under "Pension Benefits."

*Steel Pension Plan Calculation Assumptions*

The present value of accumulated benefit obligations represents the actuarial value of benefits earned to date by the executives under the Steel Pension Plan. Assumptions used in the calculations include an unreduced benefit age of 62, the election of a lump sum option, and estimated career earnings and final average earnings as of December 31, 2009. Estimated final average earnings were developed based on the average of the actual salaries paid in the last five of the past ten years prior to December 31, 2009, that produced the highest average. The salary amounts include base wages, excluding incentive compensation. For these calculations, the executive's unreduced base salary (i.e., the base salary in effect on June 30, 2009, to the extent necessary to avoid the adverse effects of the temporary reduction in base salary effective July 1, 2009 (see "Overview of Executive Compensation for 2009 and 2010 – Salaries")) is used. The number of years of credited service in the Pension Benefits table shows the number of years earned and used to calculate the accrued benefits reported as of December 31, 2009. Other key actuarial assumptions regarding the calculations are identified in footnote 2 to the table located under "Pension Benefits."

Non Tax-Qualified Pension Plan

*General Description of the Plan*

The purpose of the United States Steel Corporation Non Tax-Qualified Pension Plan is to compensate individuals for the loss of benefits under the Steel Pension Plan that occur due to certain limits established or required under the Code. The amount payable under the Non Tax-Qualified Pension Plan is equal to the difference between the benefits the executive actually receives under the Steel Pension Plan and the benefits that the executive would have received under the Steel Pension Plan except for the limitations imposed by the Code.

Benefits paid under the Non Tax-Qualified Pension Plan are in the form of an actuarially determined lump sum distribution of both the benefits payable to the executive and the benefits payable to the surviving spouse and/or other survivor upon the named executive's termination of employment. Benefits will not be payable under the Non Tax-Qualified Pension Plan with respect to an executive who terminates employment prior to age 60 unless the Corporation consents to the termination; provided, however, such consent will not be required if the executive is terminated by the Corporation.



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letter agreement with the Corporation that will supplement his pension benefits under this Program if he continues in his current position at least through March 2011.

Letter Agreement

When Mr. Surma joined USX Corporation as an employee of Marathon in 1997, he was provided certain pension benefits in an employment agreement with USX. USX partially assumed the obligation for this employment agreement and has since restated the obligation under its own agreement with Mr. Surma, without changing the obligation, in order to comply with the requirements of Internal Revenue Code 409A. The supplemental pension benefits assumed by U. S. Steel consist of the difference between (1) Mr. Surma's supplemental pension benefits determined with incremental service under the Steel Pension Plan, the Non Tax-Qualified Pension Plan, and the Supplemental Pension Program, and (2) his actual pension plan.

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An executive receives a lump sum distribution of the benefits payable under this program upon his or her (a) termination of employment with five or more years of continuous service, (b) termination of employment, prior to attaining five years of continuous service, with the consent of the Corporation, or (c) pre-retirement death. Shown in the table below are the accruals under this plan for 2009.

Exec

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*Voluntary Termination (Without Consent) or Involuntary Termination (for j*















If an executive's employment terminates voluntarily without the Committee's consent or involuntarily for cause (*Column B*), all remaining unvested restricted stock awards and restricted stock units are forfeited.

For involuntary terminations that are not for cause (*Column C*), we have assumed that the executive was laid off on December 31, 2009, and then retired or terminated with consent at the end of the layoff period, December 31, 2010. No restricted stock awards or restricted stock units would vest upon termination since the executive would not have worked during the vesting period (May 2010 to May 2011). However, the layoff would have no effect upon the vesting of restricted stock awards or restricted stock units in May 2010.

Restricted stock awards and restricted stock units granted prior to 2009 vest immediately upon a change in control (*Column D*), without regard to employment status. Unvested restricted stock awards and restricted stock units will not be forfeited if (i) employment is terminated during a potential change in control period by the Corporation for other than cause or disability or by the executive for good reason and (ii) a 409A Change in Control occurs within twenty-four months following the commencement of the potential change in control period. Restricted stock units granted after 2008 require a termination in connection with a change in control in order for the vesting to be accelerated.

#### *Performance Awards*

Following a voluntary termination with the Committee's consent or a retirement pursuant to a retirement plan (*Column A*), a disability (*Column E*), or death (*Column F*), the prorated value of the performance awards granted prior to 2009 will vest based on the number of complete months worked during the relevant performance period (each is approximately three years), provided in each case that the relevant performance goals are achieved, and subject to the Committee's discretion to reduce or eliminate the award. For performance awards granted after 2008 and for which the performance goals are achieved, a modified proration is used in the event of a death or disability allowing 0% of the achieved award if such event occurs prior to the completion of the first third of the performance period, 50% of the achieved award if such event occurs on or after completion of the first third, but prior to completion of the second third, of the performance period, and 100% of the achieved award for events occurring on or after completion of the second third of the performance period. This modified proration effectively shortens the post-termination waiting period to a maximum of two years, thereby allowing an estate to potentially close within two years, since there would be no value allowed for performance awards granted within one year of a participant's death.

If an executive's employment terminates voluntarily without the Committee's consent or involuntarily for cause (*Column B*), all remaining unvested performance awards are forfeited.

For involuntary terminations that are not for cause (*Column C*), we have assumed that the executive was laid off on December 31, 2009, and then retired or terminated with consent at the end of the layoff period, December 31, 2010. Because the employee has not terminated employment under this assumption prior to the May 2010 vesting of the May 2007 performance award, it will vest depending upon the Corporation's performance and subject to the Committee's downward discretion. However, a prorated portion of the May 2008 and 2009 performance awards will vest following the assumed termination in December 2010 based upon the number of months worked during the respective performance periods (the number shown in *Column C* assumes such prorated vesting at target performance for these two awards).

Performance awards granted prior to 2009 vest immediately upon a change in control (*Column D*), without regard to continued employment, at the higher of 100 percent of target and actual performance over the abbreviated performance period. Unvested



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Internal Revenue Code. See the paragraph below, “*Letter Agreements*” for a description of the letter agreement benefits payable to Messrs. Surma and Goodish that are related to the Non Tax-Qualified Pension Plan.

*Supplemental Pension Program*

Benefits from the Supplemental Pension Program are payable on behalf of the executives (except for Mr. Surma) under each of the termination of employment scenarios other than a voluntary termination without consent or an involuntary termination for cause (*Column B*), since the executives have at least 15 years of continuous service as of December 31, 2009. Benefits from the Supplemental Pension Program are payable to Mr. Goodish under each of the termination of employment scenarios since he has attained age 60. Refer to the “*Pension Benefits*” section for a description of the Supplemental Pension Program. See the paragraph below, “*Letter Agreements,*” for a description of the letter agreement benefits payable to Messrs. Surma and Goodish that are related to the Supplemental Pension Program.

The present value amounts shown for an involuntary termination not for cause(*Column C*) and a disability (*Column E*) reflect enhanced benefits attributable to the additional age and continuous service accrued while on layoff status and during the five-month period following the disability event, respectively.

If the employment of an executive is terminated due to death(*Column F*), death benefits become payable to the surviving spouse or, if there is no spouse, to the executive’s estate. The present value amounts shown are equal to the actuarial equivalent of the executive’s pension benefit (excluding the surviving spouse’s benefits) that would have been payable with Corporation consent if the executive had retired on the date of death.

*Supplemental Savings Program*

The conditions for a payment of benefits under the Supplemental Savings Program include the attainment of five years of continuous service. B o~ Å





salary (the base salary in effect on June 30, 2009) to the extent necessary to avoid the adverse effects of the reduction to base salaries effective July 1, 2009 (see “*Compensation Discussion and Analysis – Overview of Executive Compensation for 2009 and 2010 – Salaries*”).

- Early Commencement Factors—an additional three years are added to age and service and, if the executive satisfies the Rule-of-65 or 70/80 retirement options under All Pension Plans using these additional three years, the executive is eligible to commence an immediate pension under such retirement option, and
- Full Vesting—accrued benefits under All Pension Plans are deemed to be vested or, to the extent not vested, paid as an additional benefit.
- “Actual Pension Benefit” equals the sum of the monthly pension benefits payable under All Pension Plans as of the date of termination of employment. These calculations use the executive’s unreduced base salary (the base salary in effect on June 30, 2009) to the extent necessary to avoid the adverse effects of the reduction to base salaries effective July 1, 2009 (see “*Compensation Discussion and Analysis – Overview of Executive Compensation for 2009 and 2010 – Salaries*”).

*Outplacement Services*

In the event of a termination in connection with a change in control (*Column D*), the change in control agreements provide for the payment of reasonable outplacement services (two year maximum) for all terminations following an Applicable Event.

*Excise Tax Gross-Up*

The severance agreements provide for a gross-up payment to cover Internal Revenue Code section 4999 excise taxes imposed on an executive as a result of the receipt of compensation under a change in control termination scenario (*Column D*). A change in control that triggers the acceleration of long-term incentive awards by their terms could result in an excise tax liability for the executive. The severance agreements provide for the reimbursement of this liability by the Corporation, and this is the only benefit under these agreements that could be paid without a corresponding termination. However, because the acceleration of vesting for long-term incentive awards granted after 2008 happens only upon a change in control and a termination (see “*Overview of Executive Compensation for 2009 and 2010 – Long-Term Incentives*”), as these later awards become the only unvested awards outstanding, the gross-up would only occur upon a change in control and a termination.

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## Section 16(a) Beneficial Ownership Reporting Compliance

No U. S. Steel director or officer or other person subject to Section 16 of the Securities Exchange Act of 1934

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UNITED STATES STEEL CORPORATION

2005 STOCK INCENTIVE PLAN

*Amended and Restated through April 27, 2010,  
as Submitted for Approval of the Corporation's Shareholders*

**SECTION 1. PURPOSE**

1.01 The purpose of the 2005 Stock Incentive Plan (the "Plan") is to assist United States Steel Corporation (the "Corporation") in attracting, retaining and motivating employees and non-employee directors of outstanding ability and to align their interests with those of the shareholders of the Corporation.

**SECTION 2. DEFINITIONS; CONSTRUCTION**

2.01 **Definitions.** In addition to the terms defined elsewhere in the Plan, the following terms as used in the Plan shall have the following meanings when used with initial capital letters:

2.01.1 "Amended and Restated Effective Date" has the meaning provided in Section 12.01 hereof.

2.01.2 "Appreciation Right" shall have the meaning provided in Section 4.01 hereof.

2.01.3 "Available Shares" shall have the meaning provided in Section 4.01 hereof.

2.01.4 "Award" means any Option, Restricted Stock, Restricted Stock Unit, Performance Award or Other Stock-Based Award, including Appreciation Rights, or any other right or interest relating to Shares granted under the Plan.

2.01.5 "Award Agreement" means any written agreement, contract or other instrument or document evidencing an Award.

2.01.6 "Board" means the Corporation's Board of Directors.

2.01.7 "Business Combination" shall have the meaning provided in Section 9.03(iii) hereof.

2.01.8 "Cause," when used with respect to the termination of employment or service of a Participant, means:

(a) the willful and continued failure by the Participant to substantially perform his duties with the Corporation or a Subsidiary or affiliate (other than any such failure resulting from the Participant's disability), after a written demand for substantial performance is delivered to the Participant by the Board which specifically identifies the manner in which the Board believes that the Participant has not substantially performed his duties, and which failure has not been cured within 30 days after such written demand; or

(b) the willful and continued engaging by the Participant in conduct which is demonstrably and materially injurious to the Corporation or a Subsidiary or affiliate, monetarily or otherwise, or

(c) the breach by the Participant of any obligation of confidentiality owed to the Corporation or a Subsidiary or affiliate.

For purposes of this Section 2.01.8, no act, or failure to act, on the Participant's part shall be considered "willful" unless done, or omitted to be done, by the Participant in bad faith and without reasonable belief that such action or omission was in the best interest of the Corporation. Notwithstanding the foregoing, the Participant shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to him a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for that purpose (after reasonable notice to the Participant and an opportunity for the Participant, together with his counsel, to be heard before the Board) finding that in the good faith opinion of the Board the Participant is guilty of the conduct set forth above in clauses (a), (b) or (c) of this Section 2.01.8 and specifying the particulars thereof in detail.

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- 2.01.9 “Code” means the Internal Revenue Code of 1986, as amended from time to time, together with rules, regulations and interpretations promulgated thereunder. References to particular sections of the Code shall include any successor provisions.
- 2.01.10 “Change of Control” has the meaning provided in Section 9.03.
- 2.01.11 “Committee” means, (a) with respect to Participants who are employees and other service providers, the Compensation & Organization Committee or such other committee of the Board as may be designated by the Board to administer the Plan, as referred to in Section 3.01 hereof, consisting of at least three members of the Board; provided however, that any member of the Committee participating in the taking of any action under the Plan shall qualify as (1) an “outside director” as then defined under Section 162(m) of the Code or any successor provision, (2) a “non-employee director” as then defined under Rule 16b-3 or any successor rule and (3) an “independent” director under the rules of the New York Stock Exchange, or (b) with respect to Participants who are non-employee directors, the Board.
- 2.01.12 “Common Stock” means shares of the common stock, par value \$1.00 per share, and such other securities of the Corporation or other corporation or entity as may be substituted for Shares pursuant to Section 8.01 hereof.
- 2.01.13 “Continuing Directors” shall have the meaning provided in Section 9.03(iii)(A) hereof.
- 2.01.14 “Covered Employee” shall have the meaning provided in Section 162(m)(3) of the Code.
- 2.01.15 “Exchange Act” means the Securities Exchange Act of 1934, as amended.
- 2.01.16 “Excluded Transaction” shall have the meaning provided in Section 9.03(iii) hereof.
- 2.01.17 “Fair Market Value” of shares of any stock, including but not limited to Common Stock, or units of any other securities (herein “shares”), shall be the mean between the highest and lowest sales prices per share for the date as of which Fair Market Value is to be determined in the principal market in which such shares are traded, as quoted in *The Wall Street Journal* (or in such other reliable publication as the Committee, in its discretion, may determine to rely upon). If the Fair Market Value of shares on any date cannot be determined on the basis set forth in the preceding sentence, or if a determination is required as to the Fair Market Value on any date of property other than shares, the Committee shall in good faith determine the Fair Market Value of such shares or other property on such date. Fair Market Value shall be determined without regard to any restriction other than a restriction which, by its terms, will never lapse.
- 2.01.18 “Full-Value Shares” shall have the meaning provided in Section 4.01 hereof.
- 2.01.19 “Good Reason” shall have the meaning provided in Section 9.02 hereof.
- 2.01.20 “New Board” shall have the meaning provided in Section 9.03(iii)(A) hereof.
- 2.01.21 “Option” means a right, granted under Section 6.02 hereof, to purchase Shares at a specified price during specified time periods.
- 2.01.22 “Other Stock-Based Award” means an Award, granted under Section 6.06 hereof, that is denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Shares.
- 2.01.23 “Participant” means an employee, other service provider or a non-employee director of the Corporation or any Subsidiary or affiliate, including, but not limited to, a Covered Employee, who is granted an Award under the Plan.
- 2.01.24 “Performance Award,” “Performance Goal” and “Performance Period” shall have the meanings provided in Section 6.05.
- 2.01.25 “Restricted Stock” means Shares, granted under Section 6.03 hereof, that are subject to certain restrictions.
- 2.01.26 “Restricted Stock Unit” means a unit, granted under Section 6.04 hereof, that is subject to certain restrictions.
- 2.01.27 “Rule 16b-3” means Rule 16b-3 under the Exchange Act, as amended from time to time, or any successor to such Rule promulgated by the Securities and Exchange Commission under Section 16 of the Exchange Act.

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2.01.28 "Shares" means the common stock of the Corporation, par value \$1.00 per share, and such other securities of the Corporation as may be substituted for Shares pursuant to Section 8.01 hereof.

2.01.29 "Subsidiary" means any corporation in an unbroken chain of corporations beginning with the Corporation, if each of the corporations other than the last corporation in the chain owns stock possessing at least 50% of the total combined voting power of all classes of stock in one of the other corporations in the chain.

2.01.30 "Termination of Employment" shall have the meaning provided in Section 9.02 hereof.

2.02 **Construction.** For purposes of the Plan, the following rules of construction shall apply:

2.02.1 The word "or" is disjunctive but not necessarily exclusive.

2.02.2 Words in the singular include the plural; words in the plural include the singular; words in the neuter gender include the masculine and feminine genders, and words in the masculine or feminine gender include the other and neuter genders.

**SECTION 3. ADMINISTRATION**

3.01 The Plan shall be administered by the Committee. References hereinafter to the Committee shall mean the Compensation & Organization Committee of the Board (or other appointed committee) with respect to employee and other service provider Participants and the Board with respect to non-employee director Participants.

The Committee shall have full and final authority to take the following actions, in each case subject to and consistent with the provisions of the Plan:

(i) to designate Participants;

(ii) to determine the type or types of Awards to be granted to each Participant;

(iii) to determine the number of Awards to be granted, the number of Shares or amount of cash or other property to which an Award will relate, the terms and conditions of any Award (including, but not limited to, any exercise price, grant price or purchase price, any limitation or restriction, any schedule for lapse of limitations, forfeiture restrictions or restrictions on exercisability or transferability, and accelerations or waivers thereof, based in each case on such considerations as the Committee shall determine, and all other matters to be determined in connection with an Award;

(iv) to determine whether, to what extent and under what circumstances an Award may be settled in, or the exercise price of an Award may be paid in cash, Shares, other Awards or other property, or an Award may be accelerated, vested, canceled, forfeited, exchanged or surrendered;

(v) to terminate, suspend, modify or otherwise alter the terms of any Award.

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authority of the Committee. The Committee may delegate to officers, managers and/or agents of the Corporation or any Subsidiary the authority, subject to such terms as the Committee may determine, to administer the Plan on behalf of the Committee. Each member of the Committee shall be entitled to, in good faith, rely or act upon any report or other information furnished to him by an officer, manager or other employee of the Corporation or a Subsidiary, the Corporation's independent certified public accountants, or any executive compensation consultant or other professional retained by the Corporation and/or Committee to assist in the administration of the Plan.

**SECTION 4. SHARES SUBJECT TO THE PLAN**

4.01 The maximum net number of Shares which may be issued and in respect of which Awards may be granted under the Plan shall be limited to the sum of (i) the number of Shares available under the Plan prior to this date which have not been previously awarded under the Plan and (ii) the number of Shares which may be issued under the Plan pursuant to the exercise of Awards granted under the Plan.







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award and shall certify in writing, which may be in the form of approved meeting minutes, whether the applicable performance goals were achieved, or the level of such achievement, and the amount, if any, earned based upon such performance.

6.04 **Restricted Stock Units.** The Committee is authorized to grant Restricted Stock Units to Participants on the following terms and conditions:

(i) *Issuance and Restrictions.* Restricted Stock Units shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Stock Units or the right to receive dividends thereon), which restrictions may lapse separately or in combination under the following conditions: such restrictions shall not apply to the right to vote Restricted Stock Units.









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then, in addition to any other rights of post-termination exercise which the Participant (or other holder of the Award) may have under the Plan or the applicable Award Agreement:

(A) all outstanding Awards pursuant to which the Participant may have exercise rights, which are restricted or limited, shall become fully exercisable and shall remain exercisable until the expiration date of the award; and

(B) all restrictions or limitations, including risks of forfeiture, on outstanding Awards subject to restrictions or limitations under the Plan shall lapse.

In addition, upon the occurrence of a Change of Control, all performance criteria applicable to the Award shall be waived.

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securities of the Corporation (not including in the amount of the securities beneficially owned by such person any such securities acquired directly from the Corporation or its affiliates) representing thirty percent (30%) or more of the combined voting power of the Corporation's then outstanding voting securities; provided, however, that for purposes of this Plan the term "Person" shall not include (A) the Corporation or any of its subsidiaries, (B) a trustee or other fiduciary holding securities under an employee benefit plan of the Corporation or any of its subsidiaries, (C) an underwriter temporarily holding securities, (C)



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**SECTION 10. AMENDMENTS TO AND TERMINATION OF THE PLAN**

10.01 The Board may amend, alter, suspend, discontinue or terminate the Plan without the consent of shareholders or Participants, except that, without the approval of the shareholders of the Corporation, no amendment, alteration, suspension, discontinuation or termination shall be made if shareholder approval is required by any federal or state law or regulation or by the rules of any stock exchange on which the Shares may then be listed, or if the amendment, alteration or other change materially increases the benefits accruing to Participants, increases the number of Shares available under the Plan or modifies the requirements for participation under the Plan, or if the Board in its discretion determines that obtaining such shareholder approval is for any reason advisable; provided, however, that except as provided in Section 7.02, without the written consent of the Participant, no amendment, alteration, suspension, discontinuation or termination of the Plan may materially and adversely affect the rights of such Participant

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11.05 **No Limit on Other Compensatory Arrangements.** Nothing contained in the Plan shall prevent the CuF

**UNITED STATES STEEL COR**

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or retires, as that term is defined by the Committee from time to time in the regulations hereto, the Participant, or his or her estate, may, in the discretion of the Committee, be entitled to receive a pro-rata Incentive Award for the portion of the Performance Period during which the Participant was employed, provided that the applicable Performance Goals for such Performance Period are achieved, the Participant was employed for at least six months during the Performance Period and, in the case of retirement or disability, the Participant is not employed in any capacity by any competitor of the Corporation or is otherwise then engaging in competitive activities with the Corporation. In the case of any pro-rata Incentive Award payment, such amounts shall be paid as provided in Section 6 of the Plan.

Section 4.04. *New Participants*



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considered as part of the Participant's salary and will not be used in the calculation of any other pay allowance or benefit except as provided under the United States Steel Corporation Supplemental Pension Plan or the United States Steel Corporation Supplemental Retirement Account Program, each as then in effect.

Section 6.04. *Tax Withholding.* All Incentive Awards shall be subject to Federal income, FICA, and other tax withholding as required by applicable law and, to the extent permitted pursuant to the Corporation's 2005 Stock Incentive Plan (or any successors thereto), as amended from time to time, may be withheld in shares of the Corporation's common stock otherwise distributable.

Section 7. *Miscellaneous*



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United States Steel Corporation  
c/o Corporate Election Services  
P. O. Box 3200  
Pittsburgh, PA 15230-3200

**VOTE BY TELEPHONE**

Please have your proxy card available when you call the **toll-free number 1-888-693-8683** using a touch-tone telephone and follow the simple directions that will be presented to you.

**VOTE BY INTERNET**

Please have your proxy card available when you access the website **www.cesvote.com** and follow the simple directions that will be presented to you.

**VOTE BY MAIL**

Please mark, sign and date your proxy card and return it in the **postage-paid envelope** provided or return it to: Corporate Election Services, P.O. Box 3200, Pittsburgh, PA 15230.

**Vote by Telephone**  
Call toll-free using a touch-tone telephone:  
**1-888-693-8683**

**OR**

**Vote by Internet**  
Access the website and cast your vote:  
**www.cesvote.com**

**OR**

**Vote by Mail**  
Return your completed proxy card in the postage-paid envelope provided

**Your telephone or Internet vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.**

**Voting is open 24 hours a day, 7 days a week.**

**Your telephone or Internet vote must be received by 6:00 a.m. eastern time on April 27, 2010 in order to be counted in the final tabulation.**



↓ **If you vote by mail, please fold and detach card at perforation before mailing.** ↓

**UNITED STATES STEEL CORPORATION**

**THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS OF UNITED STATES STEEL CORPORATION.**

The undersigned hereby appoint(s) John P. Surma and Seth E. Schofield, or either of them, proxies to vote as herein directed on behalf of the undersigned at the Annual Meeting of Stockholders of United States Steel Corporation on April 27, 2010 and at any meeting resulting from an adjournment or postponement thereof and upon all other matters properly coming before the Meeting, including the proposals set forth in the proxy statement for such Meeting with respect to which the proxies are instructed to vote as indicated on the reverse side.

\_\_\_\_\_  
Signature(s)

\_\_\_\_\_  
Signature(s)

Dated \_\_\_\_\_  
Please sign exactly as your name appears hereon, including representative capacity where applicable. Joint owners should both sign.

**PLEASE MARK (ON THE REVERSE), SIGN AND DATE YOUR PROXY CARD AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE.**



